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RR RUEHWEB

DE RUEHIN #0209 0450843
ZNR UUUUU ZZH
R 140843Z FEB 08
FM AIT TAIPEI
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E.O. 12958: N/A

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SUBJECT: MEDIA REACTION: CHINESE ESPIONAGE CASE IN THE U.S.

Summary: Taiwan's major Chinese-language dailies focused news coverage February 14 on the March presidential poll and the UN referenda; on film director Steven Spielberg's decision Tuesday to pull out of the 2008 Olympics in Beijing; on the Chinese espionage case in the United States; and on the DPP administration's latest attempt to "rectify" the Chinese language. The centrist, KMT-leaning "China Times" front-paged an exclusive news story saying that the DPP administration is clandestinely working to set up a defense industry company named "Taiwan Goal" to coordinate the business of the U.S.-Taiwan arms deals and to sell Taiwan-made arms to other countries. In terms of editorials and commentaries, an editorial in the pro-independence "Liberty Times" discussed the Chinese espionage in the United States and said China will stop at nothing in its plotting to annex Taiwan. End summary.

"Chinese Espionage Case Exposed in the United States -- China's Conspiracy to Annex Taiwan Is All-Pervasive"

The pro-independence "Liberty Times" [circulation: 720,000] editorialized (2/14):

"... In short, the United States' cracking of the Chinese espionage case indicates that, with its growing national strength, China is able to deal with Taiwan via various channels. China uses money as bait to lure the spies to steal classified national defense information from the United States in an effort to obtain a better understanding of the development of U.S. defense technology and the details of U.S. arms sales to Taiwan, which are useful for its saber-rattling against Taiwan. Not only that, China also spent an enormous amount of money trying to win over Taiwan's diplomatic allies in an attempt thoroughly to squeeze Taiwan's elbow room in the international community. Moreover, the economic benefits China has bestowed on the Taiwan businesspeople [on the mainland] will become the most advantageous leverage Beijing can use to manipulate these people, who will form an alliance with China once political disputes start fermenting on the island. That way China can demolish Taiwan from the inside without having to send a single soldier [to the island]. In the face of China's multiple strategies and attacks, Taiwan is in an increasingly difficult situation. The exposure of the Chinese espionage case in the United States is but the tip of the iceberg. It is a common challenge for the 23 million people [on Taiwan] as to how to expose China's conspiracy to annex Taiwan."

WANG